

For Immediate Release March 14, 2018

Contact: Representative Gordon Hintz, 608-266-2254

ICYMI: What they're saying about the Foxconn deal

Suppliers / Indirect Jobs

"A good portion of the suppliers appear <u>likely to be out-of-state</u>, and there is some question about what suppliers the company would actually bring with it."

- July 6, 2017 email from WI Department of Administration policy analyst Brian Quinn

"Since we will be 'loading up' (Foxconn's) incentive by giving them 'credit' for the indirect jobs, we do not anticipate providing incentives for companies wanting to be proximate to (Foxconn's) facility, This supports the importance of (adjusting the) indirect job analysis as it is likely a neighboring state may be willing to provide these incentives."

-July 6, 2017 email from WEDC CEO Mark Hogan to top Walker Administration officials.

"There needs to be substantial follow along investment from the supply chain. This is a significant gamble. For these things to pay off, you need to build not just one company ... you need to build a number of smaller and medium-sized companies. We've seen this all over the country where this doesn't always pan out."

-Scott Andes, a fellow at the Anne T. and Robert M. Bass Initiative on Innovation & Placemaking

Cost to Taxpayers

"Give us 200m (cash payment) upfront then it is a done deal."

-Text message from Terry Gou's top executive, Louis Woo, to DOA Secretary, Scott Neitzel

"I don't think the state of Wisconsin <u>will ever</u> make money on this deal. Once you account for public spending needs due to an increased population, [the state will] never break even."

- Tim Bartik, an economist at the W.E. Upjohn Institute from article on Curbed.com "Paying for jobs: How cities end up spending millions for corporate incentives"

"[A]fter accounting for state highway rehabilitation (SHR) program let savings through December, 2017, the previously unscheduled Foxconn-related roadwork could <u>reduce</u> the amount of SHR program funding in the biennium to between \$1,529.4 million and \$1,549.4 million. As compared to the Act 59 funding level, <u>this</u> would be a reduction of between \$70.0 million and \$90.0 million in the biennium."

-Legislative Fiscal Bureau Memo, February 27, 2018

Environmental Impacts

"A lot of people are upset with the hubris with which Wisconsin has been dismissing environmental laws in order to grease the wheels for Foxconn,"

-Peter Annin, co-director of a Northland College water center

The bigger question about Foxconn, is whether Wisconsin ensures the factory is prevented from releasing toxic pollution into the lake.

-Cameron Davis, Great Lakes czar for former President Barack Obama

"The thing that lawmakers really should be thinking about, is are you comfortable with giving a company that has a history of playing very 'loosey goosey' with environmental laws ... to come to the state of Wisconsin, operate close to Lake Michigan, and take away all operational levers that you have in your toolbox to make sure this company operates effectively?"

-Peter Adrians, professor of finance at the U. of Michigan, specialist in corporate water risk management

Re: Wisconsin wants break from Trump administration on ozone rules in advance of Foxconn development "The purpose of the standard is so that people know they are in an area where air quality can be unhealthy, some of the time.

"For that, it doesn't matter whether the air pollution comes from local industries or comes from hundreds of miles away. It matters that it is healthy or unhealthy."

-Janet G. McCabe, a senior fellow at the Environmental Law and Policy Center, March 13, 2018

On other businesses asking for the same deal Foxconn received

"If some company comes and says they want to create a factory and hire people in Milwaukee, and asks for the same per-job subsidy Foxconn received. How does the state say no to that?"

-Tim Bartik, an economist at the W.E. Upjohn Institute on Curbed.com

"Existing major employers, especially in other parts of the state, such as the northeast and western portions of the state, will likely ask for significantly larger assistance than they have in the past, as will prospective new employers. Given the scale of the resources that will be tied up in this (Foxconn) project, providing any significant assistance to (other) employers may prove difficult."

-Prediction from DOA policy analyst Brian Quinn